

So you want to start a home-based business in Durham. What are the regulations? What do you do first? Briefly, here are some facts you will need and the steps to follow:

**Step One:** Decide what kind of business you want and how much of your home you will use for the business. There are limits to the portion of your home that you may devote to the business, the number of employees and number and type of vehicles you may have for the business, among other things. The rules are designed to keep the appearance of a private home, while allowing you to conduct business if you follow the rules.

**Step Two:** Durham requires that all home-based businesses obtain a Home Occupation Permit (HOP) from the Durham City-County Planning Department. The rules that apply are printed on the back of the HOP application for your convenience. You also must initial that you have read the rules when you fill out the form. The application can be found at the Planning Department, or online at our Customer Service Center page <http://durhamnc.gov/ich/cb/ccpd/Pages/csc.aspx>. There is a \$26.00 fee, which must be paid when you turn in the completed and signed application to the Planning Department, which is located in Suite G301 on the ground floor at 101 City Hall Plaza. Business hours are Monday to Friday, 8:00 a.m. to 5:00 p.m.

**Step Three:** Register your business name. Where this is done depends on the kind of ownership. To register for a Sole Proprietorship/Partnership, contact the Durham County Register of Deeds Office located on the ground floor of 200 East Main Street. Business hours are Monday to Friday, 8:30 a.m. to 5:00 p.m. The current fee is \$14.00. For any further questions, contact the Register of Deeds at (919) 560-0480. To register as a Corporation, you must contact the North Carolina Secretary of State's office, which can be found at 2 Salisbury Street, Raleigh NC. For further questions regarding corporate ownership, contact the NC Secretary of State's office at (919) 807-2000 or online at [www.sosnc.com](http://www.sosnc.com).

**Step Four:** For many types of home-based businesses, the next step is to obtain a General Business Privilege License from the Durham City License office. The License office can be found in Suite 1100 on the first floor of 101 City Hall Plaza. Business hours are 8:00 a.m. to 4:30 p.m. Monday to Friday. The fees will vary based on the specific business activity proposed. Many professional businesses will instead need a privilege license from the N C Department of Revenue, per G.S. 105-41 (see <http://www.dornc.com/practitioner/corporate/bulletins/2007-2008/VI-E.pdf>). The annual fee for a state privilege license is \$50. For further information, please contact the Business License Office at (919) 560-4700 or visit them online at <http://durhamnc.gov/ich/as/fin/Pages/General-Billing-and-Collections-Division.aspx>.

**Step Five:** Register with the NC Department of Revenue in order to obtain an account ID number for income tax withholding, sales and use tax, and machinery and equipment tax. To find out more and register on line go to: <http://www.dor.state.nc.us/electronic/registration/index.html> or contact the local Service Center for the NC Department of Revenue, by phone at 1-877-308-9103. Business hours are Monday to Friday, 8:00 a.m. to 5:00 p.m.

**Lastly:** Unless you are a sole proprietorship, you must also get a federal employer identification number. This can be done online through a link at <http://www.irs.gov/Businesses/Small-Businesses-&Self->

[Employed/Small-Business-and-Self-Employed-Tax-Center-1](#) and the phone number is (800) 829-4933. Business hours are Monday to Friday, 7:00 a.m. -7:00 p.m. local time. There is also lots of helpful information at that website and at the main Internal Revenue Service website at [www.irs.gov](http://www.irs.gov).

**Other Permits:** Depending upon the type of business you decide to start, there may be other permits to obtain as well. You are welcome to call any of the offices listed in this article for assistance or visit them online. Once you get established, one of our friendly Zoning Enforcement Officers may visit you to verify that your business complies with the permit you filled out and the rules. Good luck with your business!

This general information is provided by the Durham City-County Planning Department, and is current as of December 7, 2012. Please consult with a tax professional for more detailed information.